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December 8, 1994

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EX PARTE NOTICE

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary,
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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DEC 9 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: MM Docket No. 92-265
Program Access Proceeding

Dear Mr. Caton:

Enclosed please find correspondence by B.R. Phillips, III, Chief Executive Officer, National Rural Telecommunications Cooperative ("NRTC"), to Mary P. McManus, Legal Advisor to the Honorable Susan Ness, dated December 7, 1994, regarding NRTC's pending Petition for Reconsideration in the above-captioned proceeding. Copies of this letter also were delivered on this date (prior to release of the Sunshine Notice) to the following Commission officials:

The Honorable Reed E. Hundt
The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Marueen O'Connell
James R. Coltharp
Jill Luckett

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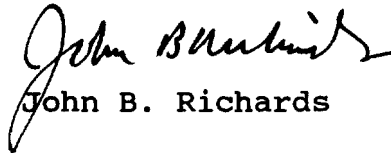
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Mr. William F. Caton
December 8, 1994
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KELLER AND HECKMAN

Two copies of the letter are enclosed herewith for inclusion in the public record of this proceeding. Should you have any questions concerning this matter, please contact the undersigned.

Sincerely,


John B. Richards

Enclosure

cc: The Honorable Reed E. Hundt
The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Marueen O'Connell
James R. Coltharp
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December 7, 1994

Ms. Mary McManus, Legal Advisor
Office of the Honorable Susan Ness
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

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DEC - 8 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

RE: EX PRESENTATION MM DOCKET 92-265 PROGRAM ACCESS

Dear Ms. McManus:

This letter is in response to a question you raised during our meeting on December 7, 1994, in connection with the National Rural Telecommunications Cooperative's (NRTC) pending petition for reconsideration in the above-captioned proceeding.

In our discussion, we noted that Section 628(c)(2)(C) of the 1992 Cable Act prohibits exclusive arrangements only in areas unserved by cable. You asked whether it was technologically feasible to limit distribution of programming via DBS to persons in areas unserved by cable.

Let me assure you that we have the technical capability to target distribution of particular programming services, to specific homes. This addressability is possible because every consumer's integrated receiver-decoder (IRD) has a unique individual identifier recognized by the DIRECTV authorization system.

In fact, NRTC and DIRECTV use the addressable capability in the DIRECTV's authorization system today to target the availability of programming services to individual homes. We also authorize reception of programming services and events within particular areas (i.e., zip codes and counties).

These capabilities are built into the DIRECTV authorization system and are required by certain programming agreements and existing legal requirements. For example, sports programming services and events require that particular channels or games be "blackened out" within particular zip codes. Additionally, distribution of network services provided under the compulsory copyright law applicable to satellite retransmissions is limited to particular consumers' homes based upon their access to cable and off-air broadcast reception.

Ms. McManus
December 7, 1994
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NRTC stands ready and willing to use and this technology to implement any programming agreement consistent with the requirements of the Cable Act.

Sincerely,

A handwritten signature in black ink, appearing to read "B.R. Phillips, III". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

B.R. Phillips, III
Chief Executive Officer

BRP/jk